

THE BOARD OF EQUALIZATION OF UTAH COUNTY, UTAH
COMMISSION CHAMBERS, ROOM 1400
OF THE UTAH COUNTY ADMINISTRATION BUILDING
Tuesday, April 28, 2015 at 1:00 P.M.

PRESENT: COMMISSIONER LARRY A ELLERTSON, CHAIR
COMMISSIONER WILLIAM C. LEE, VICE-CHAIR
COMMISSIONER GREG GRAVES

ALSO PRESENT:

Cort Griffin, Attorney's Office	James Trinnaman, For Every Child Adoption Svcs
Andrea Allen, Recorder's Office	L. M. Falgoust, citizen
Keven Ewell, Assessor's Office	Lee Wright, Utah Foster Care
Peter Jeppsen, Assessor's Office	Ruhul Kuddus, Utah Valley Islamic Ctr
Jim Stevens, Assessor's Office	Abdus Samad, Utah Valley Islamic Ctr
Sandy Nielson, Clerk/Auditor's Office	Arthur Niforg, Jr., Utah County Masonic Association
Burt Harvey, Clerk/Auditor's Office	Kyle Miner, Intermountain Healthcare
Vicky Westergard, Clerk/Auditor's Office	Rod Lisonbee, Intermountain Healthcare
Becky Barron, Calvary Mountain View Church	

Commissioner Ellertson welcomed all present and the meeting began at 1:08.

1. APPROVE MINUTES OF THE BOARD OF EQUALIZATION MEETING HELD ON DECEMBER 16, 2014 (Continued from 3/31/15).

Commissioner Lee made the motion to approve the minutes of December 16, 2014. Commissioner Graves seconded the motion and carried with the following vote:

Aye:	Commissioner Ellertson Commissioner Lee Commissioner Graves
Nay:	None

2. APPROVE MINUTES OF THE BOARD OF EQUALIZATION MEETING HELD ON MARCH 31, 2015.

Commissioner Lee made the motion to approve the minutes of March 31, 2015. Commissioner Graves seconded the motion and carried with the following vote:

Aye:	Commissioner Ellertson Commissioner Lee Commissioner Graves
Nay:	None

3. HEAR LATE APPEAL OF PROPERTY TAX ASSESSMENT. RECONVENE GRANTED BY THE STATE TAX COMMISSION FOR HARWOOD FARMS, LC, SERIAL NO. 24:031:0001, APPEAL NO. 14-2322.

Keven Ewell explained they have a stipulated value for serial number 24:031:0001 of \$620,000. He explained the complex problem involved water issues. Previously, water rights had been included in valuations. He continued by stating, there had been some appeals to the state where the appellant asked to have the water rights removed from the valuation of land. Because of this, property was overvalued. Water is not taxable. That is the difference in the two values. When asked by Commissioner Ellertson if all land is considered dry land, Keven answered no, all land is not considered dry land. You have to remove the value of the water rights and not the intrinsic value associated to the land because it has water. That is a different issue. Land that is irrigated has more value than land that has no

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water. If the water rights has a value of \$20,000, you remove that from the sales price of the properties and you value the land without the water rights associated with it.

Commissioner Lee made the move to accept the stipulated value on Serial No. 24:031:0001 at \$620,000.

Commissioner Graves seconded the motion and carried with the following vote:

**Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves**

Nay: None

4. HEAR LATE APPEAL OF PROPERTY TAX ASSESSMENTS. RECONVENE GRANTED BY THE STATE TAX COMMISSION FOR NELDON & JEWEL BULLOCK, SERIAL NOS. 12:022:0087, 12:022:0094, 12:022:0096 & 12:022:0097, APPEAL NO. 14-2265.

Keven Ewell explained there are 3 vacant parcels and one improved parcel. He commented he has not received anything from the appellant showing what they feel is wrong with the valuation of the property. In doing some research, he added, he found one property was undervalued because it was secondary acreage and should have been valued at a primary acreage rate. All of the values are at least supported in the market. They are actually under what he would value them. He continued that he did not see an inequity of assessment other than the one being low. But, it was the anomaly in the area and not the standard. His recommendation is that they keep the values as they are. When asked by Commissioner Ellertson if he had spoken to the owners, Keven explained Sandy had tried to get a hold of them but have not been returning calls. Sandy Nielson added she sent them a letter and made a personal call to them requesting documentation of what they want the value to be. Conversation continued with the commissioners trying to discern what the owner of the property wanted.

Commissioner Graves made the motion to continue Item No. 4 for one month. Commissioner Lee seconded the motion and carried with the following vote:

**Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves**

Nay: None

5. APPROVE OR DENY CONTINUING STATEMENTS FOR 2015 PROPERTY TAX EXEMPTIONS AS SPECIFIED IN BINDER. (Continued from 3/31/15).

Burt Harvey explained this binder is filled with continuing statements for exemptions filed this year by organizations that are requesting exemptions due to religious, educational or charitable in nature and are statutorily required to be filed each year. He described how one parcel, 30:377:0001, is a vacant parcel that is owned by the Boys and Girls Clubs of Utah. Last year, it was granted a charitable exemption because they used it as an out-posting location. After which, we found they are delinquent on the prior year's taxes. He continued that he thought it was the county's policy or ordinance to not grant an exemption if there is a prior year delinquency until its taxes are cleared up. Cort Griffin said he didn't think being current on taxes is a qualifying item or not for an exemption. It is not supported by statute and is not one of the requirements. Commissioner Ellertson mused that if the land is being used for its stated charitable purpose, it should be included. Burt added if the taxes are not taken care of, the tax sale process is very effective. If they do not pay the taxes, it will come up on the tax sale in two years. Commissioner Ellertson added the first year of delinquency is now three years old. Due to this, he wanted them to be notified that they need to do something about the back taxes. He didn't want five years to go by before they are notified.

Commissioner Graves made the motion to approve all of the Continuing Statements with exception of the tabling of Rural Housing at this time. Commissioner Lee seconded the motion and carried with the following vote:

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Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves

Nay: None

Commissioner Lee made the motion to table Item No. 6. Commissioner Graves seconded the motion and carried with the following vote:

Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves

Nay: None

7. **ACCEPT OR DENY INITIAL EXEMPTION APPLICATION FOR "FOR EVERY CHILD ADOPTION SERVICES" RECEIVED AFTER DEADLINE OF MARCH 1, 2015, PERSONAL PROPERTY ACCOUNT NO. 80336 AS SPECIFIED IN BINDER.**

James Trinnaman represented the organization at the meeting.

Commissioner Graves made the motion to accept the late filing and approve the application from For Every Child Adoption Services. Commissioner Lee seconded the motion and carried with the following vote:

Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves

Nay: None

8. **ACCEPT OR DENY INITIAL EXEMPTION APPLICATION FOR UTAH VALLEY ISLAMIC CENTER RECEIVED AFTER DEADLINE OF MARCH 1, 2015, SERIAL NO. 18:046:0045 AS SPECIFIED IN BINDER.**

Commissioner Graves made the motion to accept late filing and approve the application Utah Valley Islamic Center application. Commissioner Lee seconded the motion and carried with the following vote:

Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves

Nay: None

9. **ACCEPT OR DENY INITIAL EXEMPTION APPLICATION FOR CALVARY HOLDINGS DBA: CALVARY MOUNTAIN VIEWCHURCH RECEIVED AFTER DEADLINE OF MARCH 1, 2015, SERIAL NO. 02:012:0025 AS SPECIFIED IN BINDER.**

Burt Harvey explained this is a building the church operates out of and has a retail storefront. He said our only recommendation is, as long as the Board feels they meet the qualifications for an exemption, that the Assessor's Office go out and do an evaluation to determine how much of a percentage is taxable and how much is non-taxable. Becky Barron explained she did not know she had to get the paperwork in for an exemption in 2014. She promised to work on getting the past taxes paid.

Commissioner Graves made the motion to accept the late application and approve the exempt application with the stipulation the Assessor's Office will work to evaluate the exempt property. Commissioner Lee seconded the motion and carried with the following vote:

Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves

Nay: None

Commissioner Lee made the motion to table Item No. 10. Commissioner Graves seconded the motion and carried with the following vote:

Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves
Nay: None

11. ACCEPT OR DENY LATE FILE CONTINUING PROPERTY TAX STATEMENTS FOR 2015 EXEMPTION RECEIVED AFTER DEADLINE OF MARCH 1, 2015 AS SPECIFIED IN BINDER.

Commissioner Lee made a motion to accept and approve the filings contained in the binder on Item No. 11 on the agenda. Commissioner Graves seconded the motion and carried with the following vote:

Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves
Nay: None

12. ACCEPT OR DENY 2015 CHARITY PLAN FOR INTERMOUNTAIN HEALTHCARE RECEIVED AFTER MARCH 1, 2015 DEADLINE AS SPECIFIED IN BINDER.

Commissioner Ellertson explained this organization asked if they could file their charity plan late. He said he told them it was okay. Rod Lisonbee described how difficult it is for IHC to meet the March 1st deadline from an accounting standpoint. He said they feel they are meeting over and above the recommendations on discounted charity care alone. He described how their charity care alone is more than 7 times what their property tax exemption would be. Also, the total gift to the community, as defined by the State Tax Commission, is about 34 times what the property tax exemption would be. From that standpoint, he said they meet the needs. He added they really believe in our mission which is to help people live the best life possible. When asked if he would divulge the figures they provided in the plan, he said from a charity care standpoint, we provided at 3 hospitals in Utah County almost \$33 million in care. This is not what we charge but the average we would collect from commercial insurance companies. By the same token, the total gift to the community which includes the education we provide, volunteers, and other services comes to over \$161 million a year.

Commissioner Graves made the motion to accept the late filing of the Charity Plan for Intermountain Healthcare. Commissioner Lee seconded the motion and carried with the following vote:

Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves
Nay: None

Commissioner Graves made the motion to accept the 2015 Charity Plan from Intermountain Healthcare. Commissioner Lee seconded the motion and carried with the following vote:

Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves
Nay: No

13. ACCEPT OR DENY APPLICATIONS FOR EXEMPTION FROM PRIVILEGE TAX RECEIVED AFTER DEADLINE OF MARCH 1, 2015 FOR SERIAL NO. 21:032:6430, HANGER # 16-10 & SERIAL NO. 21:032:6443, HANGER #14-1 AS SPECIFIED IN BINDER.

Burt Harvey explained the privilege tax is for any real property that is held by a government agency that is leased out to a private individual or a for-profit business. They are charged a privilege tax if the government property is being used for profit. If it is being used by an individual for personal use, they can then apply every year to be exempted from the privilege tax. That is what these two individuals have done. Typically, we require they provide a tax statement showing they are not taking the expense of the hanger on their business expenses. They have to show they are using it in a personal capacity. He said he believed both of the applicants have satisfied that requirement. Louis Falgoust stated he was using the hanger for personal use only.

Commissioner Lee made the motion to accept the late filing and approve the exemptions relating to this hangers. Commissioner Graves seconded the motion and carried with the following vote:

**Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves
Nay: None**

14. REVOKE TAX EXEMPT STATUS AS SPECIFIED, PROPERTIES THAT SOLD IN 2015 AND THOSE REQUESTED BY REPRESENTATIVES OF THE ORGANIZATIONS, (see attached list).

Commissioner Graves made the motion to revoke the tax exempt status as specified in Item No. 14. Commissioner Lee seconded the motion and carried with the following vote:

**Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves
Nay: None**

15. REVOKE TAX EXEMPT STATUS FOR IVY HALL ACADEMY, INC. THAT FAILED TO FILE CONTINUING PROPERTY TAX STATEMENTS AS REQUIRED BY UTAH STATE CODE SECTION 59-2-1102, PERSONAL PROPERTY ACCOUNT NO.

Burt Harvey described the process the office followed in sending letters to this organization.

Commissioner Graves made the motion to continue Item No. 15 for one month to the next meeting. Commissioner Lee seconded the motion and carried with the following vote:

**Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves
Nay: None**

The commissioners returned to the part of Item No. 5 regarding Rural Housing Development, and Item Nos. 6 and 10.

6. APPROVE OR DENY 2015 INITIAL EXEMPTION APPLICATION FOR RURAL HOUSING DEVELOPMENT CORPORATION, SERIAL NOS. 08:0159:0003 & 08:159:0010 AS SPECIFIED IN BINDER. (Continued from 3/31/15).

Before this item was tabled, Burt Harvey explained Rural Housing has parcels of vacant land they are asking to receive exemptions on. As the attorney's office has pointed out, land that is held for future use cannot be exempt for taxes. It has to in active use. He continued by pointing out that Rural Housing has a unique situation as the land they have is more like "product" than it is land. Therefore, the land is "kind of in use" in that they are attempting to find owners, who as part of a neighborhood group, build homes on the ground. They will never actively pursue development. They acquire land at a discount and then pass those savings along to owners who meet certain income qualifications. The challenge with that is even product held as a type of inventory is necessarily not tax exempt either. They tend not to hold onto a parcel very long. Having said that, there is one

parcel that is on the continuing statement that is vacant and has been in their possession since 2008. We have exempted it every year. Commissioner Ellertson concurred that this was some of his concerns and he agreed with what Burt said. He commented how it has always troubled him that this is part of their process. Commissioner Graves said if he remembered right, we were to find out why and if the commission had done that. We were unsure if the commission had done that every year as the applicant had stated. Burt commented that Vicky found the earliest exemptions date back to 2004. They typically are not requesting exemptions on the same properties each year, with exception of the one property that has been in their possession since 2008. Burt continued stating he thought one of the pertinent questions that needs to be resolved is how many of the properties on the current application and their continuing statement actually have applicants that are going through the process to acquire land. He stated, in his conversations with Dave Shawcroft about this, we came to the understanding of resolution, if a property has an active applicant engaged in the approval process to acquire the land and start the building process, then perhaps we can find it is in use. Discussion then occurred about tabling Item No. 6 and Rural Housing's continuing statement in Item No. 5. Also, Burt and the commissioners spoke about previous commissions decisions on exemptions on vacant land.

10. ACCEPT OR DENY INITIAL EXEMPTION APPLICATION FOR RURAL HOUSING DEVELOPMENT CORPORATION, SERIAL NO. 08:159:0005 AS SPECIFIED IN BINDER.

Commissioner Graves made the motion to pull from the table the portions from No. 5, all of No. 6 and No. 10 and to be continued for one month. Commissioner Lee seconded the motion and carried with the following vote:

**Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves
Nay: None**

Commissioner Lee made the motion to adjourn. Commissioner Graves seconded the motion and carried with the following vote:

**Aye: Commissioner Ellertson
Commissioner Lee
Commissioner Graves
Nay: None**

There being no further business, the meeting adjourned at 2:02 P.M. The minutes of the April 28, 2015 Board of Equalization Meeting were approved as transcribed on May 26, 2015. .

UTAH COUNTY BOARD OF EQUALIZATION
Larry A. Ellertson, Chair

ATTEST:

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BRYAN E. THOMPSON
Utah County Clerk/Auditor

Copies available upon request or online at:
www.utahcountyonline.gov or www.utah.gov/pmn

Recorded by Vicky Westergard, Tax Administration Clerk